

**MINUTES  
of the  
FOURTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**September 7, 2006  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The fourth meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative Daniel P. Silva, chair, on September 7, 2006 at 10:10 a.m.

**Present**

Rep. Daniel P. Silva, Chair  
Sen. Nancy Rodriguez, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Leonard Lee Rawson

**Absent**

Sen. Cisco McSorley  
Rep. Teresa A. Zanetti

**Advisory Members**

Rep. Daniel R. Foley  
Sen. Richard C. Martinez  
Rep. Harriet I. Ruiz

Sen. Phil A. Griego  
Sen. John T.L. Grubescic  
Sen. Steven P. Neville  
Sen. H. Diane Snyder

**Staff**

Ramona Schmidt

**MFA Staff**

Jay Czar  
Iris Encinias  
Izzy Hernandez  
Lionel Holguin  
David Mann  
Sandra Marez  
Erin Quinn  
Linda Thomas

**Thursday, September 7**

Ms. Thomas, MFA staff, presented on tax-exempt mortgage revenue bond allocation review. She reviewed the private activity bond cap, which is the annual limit on the dollar amount of private activity bonds that may be issued and noted that the cap is determined annually for each state under federal tax law. Ms. Thomas' review of the bond cap included

what the limit is on tax-exempt bond issuance, the bond cap available for New Mexico in 2006, how the bond cap gets allocated in New Mexico and how issuers request and receive allocations of the bond cap. She informed the committee that she had included charts addressing the 10-year history of allocations of multifamily issuers, requests and allocations by the State Board of Finance (SBOF) in 2006, the private activity bond volume cap allocation of state ceiling pre-July 1 allocations and the allocation of state ceiling for 1996 through 2006.

Committee members asked for clarification on the role of the SBOF, how entities can apply for funding for projects, the default or delinquency rate and tracking on multifamily projects, the competition for dollars with the New Mexico Educational Assistance Foundation (NMEAF) and the allocation of funds for housing and education. The committee requested information on what programs are offered through NMEAF. It was noted that one-third of the funding has been in the Albuquerque metro area through the Region III Housing Authority and the question was raised whether one entity is favored or if there is fair competition. MFA staff responded to the committee's concern, stating they had not noticed favoritism by SBOF in awards and noted that project economics tend to drive multifamily units in the metro area versus the rural areas of the state. It was noted that Region III had defaulted on a \$2.5 million loan and there are expectations it will default on another \$2.5 million loan. Discussion occurred on the role of the MFA, the separate ability of the regional housing authorities to receive funding for housing through the SBOF, oversight of the regional housing authorities, the possibility of affecting oversight through proposed legislation, the ongoing review of these issues and the role of the MFA Oversight Committee on this issue. In response to a concern raised regarding whether there is a system in place to throw up a red flag if there is a problem, Mr. Czar shared the audit and review process in place at MFA.

Mr. Hernandez presented before the committee on the homeless programs and the federal and state funding sources, the essential services, homelessness prevention, permanent supportive housing, the continuum of care match and the delivery system. The tenant-based rental assistance program was reviewed and included discussion on the purpose, the funding source, the delivery system, the funding for program years 2004, 2005 and 2006 and the budgets. Mr. Hernandez covered the HOPWA program, which is an entitlement program based on a renewable funding source pursuant to the number of HIV-positive diagnoses as reported to the Centers for Disease Control by New Mexico. He reviewed the purpose, funding sources, delivery system and the people affected.

Mark Allison, Supportive Housing Coalition of New Mexico, addressed the committee on the Permanent Supportive Housing Program and the individuals affected. Mr. Allison stated that last year the coalition was able to receive seed money to expand outside of Albuquerque to partner with different agencies in communities to create housing and build capacity to do housing on its own on second or third projects. He noted the first project is in Gallup for mixed income with a green design, and there are projects in Santa Fe and Las Vegas. The supportive services and resources for individuals, including those with mental disabilities, were discussed, as well as the huge issue with providing supportive services within communities throughout the state for behavioral health services. A document was shared with committee members that addresses the recommended allocations for emergency homeless programs.

Elena Gonzales, executive director for HOME New Mexico, presented to the committee the services offered through HOME New Mexico. She stated the organization's purpose, which is to help people with disabilities purchase their own homes through education, counseling and access to financial resources, has not changed since the inception of the program. Ms. Gonzales shared some of the challenges facing the organization with the rising cost of homes in the Albuquerque area. She noted HOME New Mexico is partnered with some of the housing authorities to provide appropriate individual support.

The Weatherization Assistance Program (WAP) and the Owner-Occupied Housing Rehabilitation Program was addressed by Mr. Mann. He shared the purposes, funding sources, delivery systems and results of both programs. Mr. Mann stated the programs have certain guidelines that limit what can be done on home repairs and asked the committee to consider additional funding to meet the gap to allow for more comprehensive home repairs. He noted that if funding is increased, repair staffing would also need to be increased to meet the additional demand. It was clarified that the weatherization program is not only for owners but can be for tenants as well.

Mr. Hernandez reviewed the Colonias Program. He shared the draft on the program, which will be launched in the next month or two, pending board approval. Mr. Hernandez reviewed the background, program design and eligible partners. He noted there will need to be leverage on some other sources. He stated there are approximately 144 colonias in the state, which by federal definition are economically distressed areas located within 150 miles of the United States/Mexican border.

Ms. Encinias addressed the committee on the Native American Housing Initiative and stated it is a broadly defined technical assistance and capacity building program created in 1993 to promote the development of affordable owner-occupied, rental or special-needs residential facilities on Native American trust lands in New Mexico. She noted the services are provided directly by MFA staff as well as through a partnership arrangement with the Enterprise Foundation. The loan services provided and eligible participants were discussed.

In response to a question concerning the status of a letter concerning Mr. Gallegos' role on the New Mexico Housing Trust Fund Advisory Committee, Mr. Czar stated Mr. Gallegos had given a verbal resignation to Speaker Lujan. Senator Rodriguez asked that the June meeting minutes be changed to reflect that the motion to submit the letter was not approved unanimously.

Materials distributed at the meeting are in the meeting file in the Legislative Council Service library.